

ALTERNATIVE FUELS RESEARCH AND EDUCATION DIVISION

**PROPANE ALTERNATIVE FUELS ADVISORY COMMITTEE**

October 17, 2007

**Minutes**

**Members Present:** Larry Baty, Paul Biney, Marco Cruz, Dennis Dukes, Don Lewis, Mike Ross, Richard Sandifer, Lorraine Urey, James Williams

**Members Absent:** Jay Briseno, Doug Garrett, Joe Green, Johnny Greenwood, Skeeter LaDue, Rick Maier, Ruben Ramos, Shel Vedlitz

**Guests:** Jackie Richards

**Staff:** Heather Ball, Rayfield Hearne, Steve Jaeger, Dan Kelly, Eileen Latham, Carmen Ledesma, Thomas Petru

Vice-Chairman James Williams called the meeting to order at 9:00 a.m. in the Railroad Commission's Alternative Fuels Training Center, 6506 Bolm Road, Austin.

**Election of Officers; Approval of Minutes**

By unanimous vote, the committee elected Jay Briseno chairman and Skeeter LaDue vice-chairman for the 2007-2008 term.

On motion of Mr. Ross (second by Mr. Lewis), the minutes of the June 13, 2007, meeting were approved without amendment.

**Director's Report**

Division Director Dan Kelly presented "AFRED 101" to familiarize new members with the division's history and programs.

Dan also reported that all of the presentations from the September 12, 2007, Propane Technology Forum are posted on the AFRED web site at [www.propane.tx.gov](http://www.propane.tx.gov). AFRED has won three new research grants. The first is from the U.S. Department of Agriculture to demonstrate a propane combined heat and power (CHP) system at a dairy farm in Rains County. The second is from the U.S. Environmental Protection Agency to demonstrate ADEPT's Overfill Detection Instrument at 12 motor-fuel installations in Texas. Both of these grants included substantial matching funds from the Propane Education and Research Council (PERC). The third is a small grant from PERC to do preliminary emissions testing on a commercial propane mower. Total value of the three grants is \$326,000.

## Marketing/Public Education

Marketing and Public Education Director Heather Ball reported as follows.

Homebuilder outreach/media coverage. AFRED's program of 25 statewide propane seminars with the Texas Association of Builders is continuing in fiscal 2008. The seminars include equipment demonstrations and have been well received by participating builders and marketers. Marketers and their builder partners are eligible to compete for TAB awards at each fall's Sunbelt Builders Show. Winners of the Texas Propane Star homebuilder awards receive local press and are automatically entered into the national competition. Last year Texas had more than half of the national nominees.

AFRED's media reporting service identified 34 Texas papers that picked up AFRED articles in the last four months.

Motor-fuel and vehicle incentives. AFRED has produced informational packets and web materials for marketers and their customers on the federal alternative motor fuel tax credit and alternative motor vehicle tax credit. The packets describe how marketers and motor-fuel customers can register and apply to the Internal Revenue Service to take the credits. Tax-exempt entities like school districts and public agencies are eligible for the \$0.50/gallon motor-fuel tax credit. The vehicle tax credit is expected to be about \$2,500 for an eligible pickup and up to \$9,000 for an eligible school bus.

AFRED's state-funded Forklift Initiative Program provides additional incentives. The program is expanding to include propane pickups and school buses in fiscal 2008. The program is funded by an \$8 million grant to AFRED from the Texas Commission on Environmental Quality under the Texas Emissions Reduction Program. To be eligible, equipment must operate in a TERP-eligible county.

Educational publications. AFRED's duty-to-warn materials include newspaper stories, marketer safety meeting outlines, and customer safety bulletins. The outlines include a documentation form for marketers' insurance files.

Marketers can order free copies of the notice required by HB 1170, last session's liability-limitation bill, from AFRED in both English and Spanish. The notice is available in three formats: as a decal, a door hanger/delivery ticket and a bill stuffer.

Consumer rebate update. September 1 was the effective date of the committee's recommended \$50 increase in rebate amounts and changes in eligibility requirements. Despite the slowdown in the housing market, rebate applications since September 1 have increased compared to last year at this time. More than 270 marketers participated in the program in fiscal 2007, and about \$790,000 of rebates were issued. Fiscal 2007 will be closed out in November, and a complete report will be available at the next meeting.

Low-Income Heating Energy Assistance Program. Mr. Cruz updated the committee on the 2008 federal Community Energy Assistance Program. Congress is not expected to set the program's 2008 budget until December or January. Texas has been told to assume that the same amount of money will be available next year (\$44 million for all purposes). Lines, tanks and appliances are eligible for assistance as well as fuel.

## Research/New Technology

Research and Technical Services Director Steve Jaeger updated the committee on current R&D projects.

Desiccant dehumidifier. Steve showed the committee NovelAire's second-generation propane dehumidifier alongside the older model. The new unit is better. It is smaller, 70 lbs. lighter, and replaces the spark igniter with a more reliable hot-surface igniter. In addition, the electronics are on a circuit board instead of wired and the burner has been redesigned. Steve said the unit appears likely to last twice as long as competing electric units. AFRED is asking PERC for funds to replace the first-generation demonstration units installed at Pinehurst and New Caney, Texas. A much larger (50-100 unit) demonstration is needed to establish commercial viability.

Forklift retrofit fuel system. Emissions testing is complete for a retrofit ECS fuel system for the GM V-6 engine. Tests were funded by a TCEQ New Technology Research & Development grant and performed by Carnot Emission Services in San Antonio. The ECS system reduced NOx very substantially. Complete test data have been submitted for verification to the California Air Resources Board. CARB verification would allow the unit to be marketed in Texas and could make it eligible for TERP NOx-reduction incentives under AFRED's grant.

Heat-injector appliance for poultry-house sanitizer. Under a grant from PERC to former advisory committee chairman Mike Welch (Cass County Butane, Linden), AFRED and Texas A&M have conducted preliminary tests on the rake appliance that Mike designed for the Flame Engineering poultry house sanitizer. The results were inconclusive. Additional testing will be done using the broiler houses' propane heaters to dry out the litter before using the appliance.

Propane irrigation engine training. AFRED and Gordon Frey (Gordon Frey Associates, Maryville, Tennessee) have responded jointly to a PERC request for proposals to develop training materials for technicians who work on propane irrigation engines. The proposal has been selected as one of two finalists. Council action is expected in December.

Cotton defoliation. AFRED has completed its EPA-funded study of propane cotton defoliation. The tests were run by Texas A&M's Agricultural Research and Extension Center in Weslaco. The tests showed that thermal treatment did not adversely affect cotton quality, reduced adult whitefly populations, and may increase growers' return on the net loan price they get per pound of lint cotton. Additional testing of a larger (six-row) propane defoliator will be performed in California under a similar EPA grant.

Commercial mower. AFRED is continuing to work with manufacturers of commercial mowers to develop and commercialize a certified low-emissions unit greater than 25 horsepower. Twenty-five horsepower is the lower limit for TERP-eligible equipment.

## **Training**

Director of Training Thomas Petru reported as follows.

2007 training statistics. AFRED trained 3,076 students and conducted 313 classes in fiscal 2007, an average of 10 students per class. Classes were held statewide at locations that ensured no marketer would have to send employees more than 100 miles to attend a class.

Proposed rule amendments. Proposed amendments to many parts of the *LP-Gas Safety Rules* are out for public comment until December 3. Training-related proposals would (1) update the titles of current CETP courses; (2) allow Category I managers to be outside instructors; (3) delete the obsolete "Bobtail/Service and Installation" designation on certification cards; (4) require ultimate consumers to report employee transfers; and (5) clarify that continuing education is not required for any engine-fuel (Category L) certification.

Publication updates. If the Commission adopts NFPA 58 (2008 edition) and NFPA 54 (2006 edition) as proposed, all of AFRED's training books and safety outlines will have to be reviewed and updated by February 1. Previous editions will be obsolete as of that date.

## **Certification**

Certification Manager Rayfield Hearne reported as follows.

Proposed rule amendments. The proposed amendments to the *LP-Gas Safety Rules* include some certification-related proposals. These include: (1) more detailed descriptions of the activities authorized and not authorized by each examination; (2) time limits of 2 hours or 3 hours, depending on the length of the examination; (3) separate, more focused Category L and engine-fuel examinations for on-road vehicles such as pickups, off-road vehicles such as forklifts, and mobile LP-gas systems such as those on catering trucks or hot-oil units; (4) offering bottle-filler and motor/mobile fuel dispenser operator exams in Spanish.

2007 exam statistics. AFRED administered 3,389 examinations in fiscal 2007, a 6 percent increase over fiscal 2006. The failure rate is 6 percent. Sixty percent of the exams were administered outside of Austin.

## **Next Meeting; Adjournment**

No date was set for the next meeting. The committee adjourned at 11:55 a.m.



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Carmen Ledesma